

**TESTIMONY OF THOMAS DAHL ON BEHALF OF THE
AMERICAN ASSOCIATION OF GRAIN INSPECTION AND WEIGHING AGENCIES
BEFORE THE SUBCOMMITTEE ON GENERAL FARM COMMODITIES AND RISK
MANAGEMENT**

REAUTHORIZATION OF GIPSA 2005

MAY 24, 2005

The American Association of Grain Inspection and Weighing Agencies (AAGIWA) is the national professional association representing the public and private agencies that are designated and delegated by USDA's Grain Inspection, Packers & Stockyards Administration (GIPSA) to weigh, inspect, and grade the Nation's domestic grain. Its member agencies are located throughout the major grain-producing regions of the U.S., and represent the majority of all domestic inspections performed under the U.S. Grain Standards Act.

AAGIWA member agencies bring a professional and third party aspect to the grading and weighing of America's grain. During the association's 45-plus years of service to the industry, it has assisted its members in performing these services through a national forum that promotes and assists professionalism, technology, and performance, while providing a constant dialogue with government and industry.

AAGIWA wishes to comment on the pending re-authorization of GIPSA beyond its current September 30, 2005 statutory expiration date. In doing so, the association wishes to support Congress in the re-authorization of the agency, and wishes to provide the following observations to the Congress:

GIPSA's Role: There is an important role for a Federal regulatory and supervisory agency in the operation of an official grain inspection system. GIPSA serves to provide an objective, third party regulatory role, which assures credibility and integrity for both domestic and foreign grain handlers and buyers of U.S. grain. Its strict federal standards help maintain the accuracy and consistency that the grain industry has come to expect from the Nation's official grain inspection system.

GIPSA: Past and Present Record. AAGIWA commends GIPSA for its current record of flexibility and availability to the suggestions and recommendations of its constituency. It has kept an open mind to change, and made changes when costs and benefits were analyzed and found productive. This association views GIPSA as an essential partner in the official inspection agencies' efforts to promote and facilitate the movement and trading of the Nation's grain. The assurance of integrity that GIPSA lends to the official grain inspection system is vital to the system's continued existence.

Mandate for Change. AAGIWA believes GIPSA's role in the grain industry must keep pace with the fast-changing needs of its customers; that it must anticipate and react quickly to new trends and technology; and that it must become more efficient and effective as the primary monitor of the U.S. Grain Standards Act. Toward that end, AAGIWA calls on Congress to consider the following improvements to the official grain inspection system, as it re-authorizes GIPSA.

Extend the designation period for official agencies. Official agencies currently must be re-designated every 3 years, requiring extensive on-site Federal evaluation and investigative manpower and resources. This designation period should be extended to 5 years or more, with GIPSA maintaining its traditional role of closely monitoring and evaluating official agencies' performance.

Support changes that would provide GIPSA the authority to delegate third party inspection providers to perform official inspection and weighing services at ports under direct GIPSA supervision, in those ports where GIPSA currently performs those functions. These third party providers would be officially designated and would follow the same criteria as presently designated agencies. The proposed amendment should not affect those ports where inspection and weighing services are currently performed by delegated State agencies. To enhance the port inspections' feasibility, official, origin domestic interior inspections should be utilized.

Support GIPSA in the evaluation of quality inspection tests for ethanol by-products. The criteria should be established for the end use of this product. These by-products enter our food system through feed given to livestock. Tests that monitor the levels of mycotoxins should be established.

We oppose the Administration's proposal to amend the U.S. Grain Standards Act to authorize the collection of new user fees to cover the cost of GIPSA Standardization activities.

In conclusion, AAGIWA commends GIPSA for making changes for the betterment of the official grain inspection system, for its integrity, and for its beneficial partnership with 55 state and private agencies that perform official duties at the local level. As congress moves to re-authorize this Federal agency it is important that new technologies and efficiencies be brought to bear as soon as possible, and that the above stated fine-tuning be implemented in order to assure the future strength and viability of this valuable national industry system.

**Thomas Dahl,
President, AAGIWA**